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## COMMONWEALTH OF VIRGINIA

## STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 19, 1999

APPLICATION OF

PAETEC COMMUNICATIONS OF VIRGINIA, INC.

CASE NO. PUC980162

For a certificate of public convenience and necessity to provide local exchange telecommunications services

## FINAL ORDER

On February 2, 1999, PaeTec Communications of Virginia,

Inc. ("PaeTec" or "the Company") completed an application for a
certificate of public convenience and necessity ("certificate")
to provide local exchange telecommunications services throughout
the Commonwealth of Virginia. By Order dated February 18, 1999,
the Commission directed the Company to provide notice to the
public of its application, directed the Commission Staff to
conduct an investigation and file a report, and scheduled a
public hearing to receive evidence relevant to PaeTec's
application. On April 7, 1999, Staff filed its report finding
that PaeTec's application was in compliance with the Rules
governing the offering of competitive exchange telephone
service, as codified in 20 VAC 5-400-180.

A hearing was conducted on April 14, 1999, at which time PaeTec filed all proofs of publication and proof of service as required by the February 18, 1999, scheduling order. At the hearing, the application and accompanying attachments, and the Staff report were entered into the record without objection. PaeTec agreed to the recommendations contained in the Staff report.

Having considered the application and the Staff report, the Commission finds that PaeTec should be granted a certificate to provide local exchange telecommunications services throughout Virginia. Since PaeTec, or its parent, PaeTec Corporation, does not have a history of audited financial statements, its certificate shall be granted subject to the condition that any customer deposits collected by the Company be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) PaeTec Communications of Virginia, Inc. hereby is granted a certificate of public convenience and necessity,

No. T-441, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules governing the offering of competitive local exchange service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

- (2) PaeTec shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.
- (3) Should PaeTec collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this order shall be maintained for such time as the Staff or Commission determines necessary.
- (4) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.